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MONTANA STATE LOTTERY

REPORT ON MONTANA CASH DRAWINGS

JUNE 30, 1994

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MONTANA STATE LOTTERY

REPORT ON MONTANA CASH DRAWINGS

JUNE 30, 1994

ANDERSON ZURMUEHLEN & CO., P.C.
Certified Public Accountants

MONTANA STATE LOTTERY

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October 1994

The Legislative Audit Committee
of the Montana State Legislature:

Enclosed is the report on the Montana State Lottery Observations for the year ended June 30, 1994.

The observations were conducted by Anderson, ZurMuehlen and Company, PC, under a contract between the firm and our office. The comments and recommendations contained in this report represent the views of the firm and not necessarily the Legislative Auditor.

Respectfully submitted,

Scott A. Seacat
Legislative Auditor

MONTANA STATE LOTTERY
Commission Members and Administrative Officials
June 30, 1994

Commission Members	Residence
Rebecca Erickson, Chairperson	Glasgow
David Kasten	Brockway
Dwaine Iverson	Shelby
Larry O'Toole	Plentywood
Cliff Brophy	Columbus

Administrative Officials

Charmaine Murphy, Director

L. John Onstad, Director of Security

Leslie Darfler, Director of Operations

Karalee Ellison, Director of Marketing

MONTANA STATE LOTTERY

INTRODUCTION

We performed agreed-upon procedures on the Montana State Lottery for the year ended June 30, 1994.

The agreed-upon procedures consist of (1) witnessing and reporting on all Montana Cash drawings; (2) examining all lottery drawing equipment prior to and after each related drawing; and (3) testing compliance with applicable statutes and regulations.

BACKGROUND

The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The "Montana State Lottery Act of 1985" rules and subsequent changes are outlined by Chapter 669 of the Montana Session Laws and Title 23, Chapter 7, of the Montana Code Annotated. The general purpose is to allow lottery games in which the players purchase from the state, through the administration of the state lottery, a chance to win a prize.

REPORTABLE OBSERVATIONS

In addition to the accountants' opinion, we are to report on serious inadequacies in operating controls and procedures, activities not authorized by the Legislature, and our recommendations to the State and the Lottery. We have nothing to report in those areas.

& COMPANY

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6TH & LAST CHANCE GULCH
P.O. BOX 1147 • HELENA, MONTANA 59624
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Commissioners
Montana State Lottery
Helena, Montana

We have applied the procedures enumerated below to the accompanying statements of Montana Cash Lottery drawings for the year ended June 30, 1994. These procedures, which were agreed to by a legislative auditor's contract, were performed solely to assist you in evaluating the procedures used in Montana Cash Lottery drawings. This report is intended solely for your information and should not be used by those who did not participate in determining the procedures.

The agreed-upon procedures were designed to review the applicable rules as developed by the Montana State Lottery to determine that such rules are adequate to insure:

- All drawings are conducted in accordance with applicable rules and regulations.
- All drawings are conducted in a secure, honest and fair manner.

The agreed-upon procedures consist of:

- Witnessing and reporting on all Montana Cash Lottery drawings.
- Examining all lottery drawing equipment prior to and after each related drawing.
- Testing compliance with applicable rules, statutes, and regulations.

These agreed-upon procedures are substantially less in scope than an audit, the objective of which is the expression of an opinion on the statements of Montana Cash Lottery drawings. Accordingly, we do not express such an opinion.

Based on the application of the agreed-upon procedures referred to above, nothing came to our attention that caused us to believe that the accompanying statements of Montana Cash Lottery drawings are not presented in conformity with above agreed-upon procedures. Had we performed additional procedures or had we made an audit of the statements of Montana Cash Lottery drawings other matters might have come to our attention that would have been reported to you.

Anderson Zurmuehlen & Co., P.C.

Helena, Montana
June 30, 1994

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS
Year Ended June 30, 1994

The procedures we performed are summarized as follows:

1. We read "Montana Cash Drawing Procedures." In performing these and other steps of our procedures, we gave consideration to the adequacy of controls over the drawing process.
2. We observed the unlocking of the machine cabinet and determined that the seals on the machine cabinet door, ball locker and ball sets were unbroken and that the seals were numbered the same as the seals placed there when we were last present.
3. We observed the random selection of the primary and back-up drawing machines and the primary and alternate ball sets.
4. We observed the pre-drawing tests, recorded the results and determined that the applicable procedures were followed.
5. We observed the official "Montana Cash Drawing" and determined that the applicable procedures were followed.
6. We observed the performance of one post-drawing test, recorded the results and determined the applicable procedures were followed.
7. We observed the resealing of the ball set, ball locker and machine cabinet door.

We have furnished the Office of the Legislative Auditor with a summary letter after each drawing that the Montana Cash drawings were performed and observed by us. The letter would include any unusual occurrences or deviations from the established rules and procedures.

The following Montana Cash drawings were held twice a week, Wednesdays and Saturdays, at Lottery Headquarters, Helena, Montana. The winning numbers were:

DATE	WINNING NUMBERS				
July 3, 1993	2	27	5	24	9
July 7, 1993	34	3	10	23	29
July 10, 1993	26	35	3	21	20
July 14, 1993	8	34	2	18	36
July 17, 1993	36	12	23	27	24
July 21, 1993	26	2	23	31	10
July 24, 1993	22	20	2	37	3
July 28, 1993	33	22	3	20	31
July 31, 1993	14	24	30	4	8

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS (CONTINUED)
Year Ended June 30, 1994

DATE	WINNING NUMBERS				
August 4, 1993	17	27	36	11	3
August 7, 1993	16	21	36	35	34
August 11, 1993	37	27	10	28	20
August 14, 1993	16	17	29	1	30
August 18, 1993	23	21	8	32	36
August 21, 1993	23	19	11	16	7
August 25, 1993	15	36	13	10	34
August 28, 1993	12	3	36	9	28
September 1, 1993	27	25	8	20	16
September 4, 1993	21	3	1	7	16
September 8, 1993	6	12	31	2	16
September 11, 1993	11	12	29	1	10
September 15, 1993	24	21	14	20	34
September 18, 1993	24	5	13	7	33
September 22, 1993	13	14	37	17	25
September 25, 1993	9	30	16	34	7
September 29, 1993	34	23	31	1	16
October 2, 1993	21	30	18	8	5
October 6, 1993	11	9	34	25	10
October 9, 1993	25	1	36	8	23
October 13, 1993	23	19	31	11	37
October 16, 1993	14	7	19	11	33
October 20, 1993	11	13	14	20	34
October 23, 1993	3	8	1	19	20
October 27, 1993	20	26	34	19	29
October 30, 1993	11	21	20	7	24
November 3, 1993	17	26	9	5	20
November 6, 1993	26	21	27	13	35
November 10, 1993	24	19	6	1	15
November 13, 1993	2	27	24	10	11
November 17, 1993	7	19	12	6	11
November 20, 1993	25	37	31	14	24
November 24, 1993	28	3	18	20	26
November 27, 1993	18	22	9	13	33

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS (CONTINUED)
Year Ended June 30, 1994

DATE	WINNING NUMBERS				
December 1, 1993	16	26	23	20	9
December 4, 1993	11	22	14	33	30
December 8, 1993	20	14	27	17	18
December 11, 1993	18	34	11	28	5
December 15, 1993	25	15	28	31	13
December 18, 1993	9	22	37	28	4
December 22, 1993	34	9	24	33	32
December 25, 1993	27	16	23	15	34
December 29, 1993	33	8	7	22	11
January 1, 1994	1	26	13	15	30
January 5, 1994	10	26	23	7	12
January 8, 1994	36	11	13	17	1
January 12, 1994	6	22	37	14	12
January 15, 1994	18	10	36	24	13
January 19, 1994	29	12	11	28	27
January 22, 1994	14	29	10	32	8
January 26, 1994	36	34	12	9	32
January 29, 1994	20	2	32	14	22
February 2, 1994	28	24	36	29	31
February 5, 1994	32	15	27	13	30
February 9, 1994	30	23	24	28	3
February 12, 1994	27	23	30	9	16
February 16, 1994	19	28	27	12	16
February 19, 1994	21	25	32	26	16
February 23, 1994	1	32	19	15	14
February 26 1994	4	20	13	23	24
March 2, 1994	33	34	12	4	18
March 5, 1994	4	24	6	1	10
March 9, 1994	28	10	6	34	12
March 12, 1994	12	31	25	14	4
March 16, 1994	3	8	35	21	13
March 19, 1994	21	13	3	28	18
March 23, 1994	1	32	24	34	21
March 26, 1994	23	10	6	21	8
March 30, 1994	4	27	17	8	13

MONTANA STATE LOTTERY
STATEMENT OF MONTANA CASH WINNING NUMBERS (CONTINUED)
Year Ended June 30, 1994

DATE	WINNING NUMBERS				
April 2, 1994	33	23	15	8	35
April 6, 1994	21	20	3	37	8
April 9, 1994	5	18	21	17	8
April 13, 1994	22	5	25	2	4
April 16, 1994	20	35	28	26	16
April 20, 1994	17	12	21	8	32
April 23, 1994	23	16	2	36	29
April 27, 1994	25	21	13	34	23
April 30, 1994	6	33	23	8	14
May 4, 1994	12	33	36	3	29
May 7, 1994	27	7	24	1	22
May 11, 1994	36	13	27	3	7
May 14, 1994	16	15	14	30	33
May 18, 1994	20	26	28	4	21
May 21, 1994	19	33	17	3	15
May 25, 1994	5	26	12	19	31
May 28, 1994	18	30	11	4	15
June 1, 1994	8	4	22	1	9
June 4, 1994	24	1	12	4	15
June 8, 1994	1	18	29	9	3
June 11, 1994	2	26	5	14	16
June 15, 1994	32	27	7	13	4
June 18, 1994	30	32	13	20	17
June 22, 1994	11	5	35	6	18
June 25, 1994	18	12	7	36	17
June 29, 1994	26	33	12	32	4

Also, we observed the special drawings for the Montana Lottery's Second Chance drawings October 15 through November 12, 1993. There were no matters that came to our attention that were not in accordance with the established drawing procedures.